



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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FRAUD SURFACES IN MEXICAN RESORT STOCK OFFERING AND NORTHERN ARIZONA OIL AND GAS WELLS VENTURE

PHOENIX – The Arizona Corporation Commission issued a default order against Listo, Inc. after it ignored a previous order to stop promoting and selling unregistered stock in a Mexican resort and an oil and gas wells venture. The Commission's order requires the return of \$806,875 to investors and the payment of \$100,000 in penalties.

Despite receiving the Commission's temporary cease and desist order in March 2005, Listo, Inc. did not request a hearing. At a hearing, the company could challenge the allegations that it provided false information to investors by leading them to believe that their money would be used for the development of a Mexican resort community in Rocky Point, Mexico and oil and gas wells in the Holbrook area of northeastern Arizona.

Although it is not registered to offer or sell securities in Arizona, Listo, Inc. enticed the public to invest through detailed presentations at local seminars, advertisements in *The Arizona Republic* and on a website, www.listoinc.com. At least 145 investors purchased approximately 2.3 million shares of common stock at prices ranging from \$.25 to \$3.50 per share. The majority of the investors are Arizona residents.

The litany of securities law violations listed in the default order the Commission entered against Listo, Inc. includes, among others:

- Falsely claiming to investors that it had an "agreement" with the Arizona Land Department to develop the oil and gas wells in Northern Arizona,
- Misleading investors into believing that the Mexican resort was under construction, when it was still in the

planning stages,

- Failing to inform potential investors of the risks and costs involved in the project,
- Neglecting to disclose that some investor funds would be used for its salespeople's commissions and personal expenses, and
- Failing to disclose that its common stock would be issued to certain individuals without payment to the corporation and that it sold at varying prices, thereby diluting the stock's value.

Additionally, the Commission found that Listo, Inc. told investors that it was to become a public corporation sometime before the close of 2003 and speculated on how its value per share would significantly increase. Listo, Inc. remains a private corporation.

Anyone who has invested in Listo, Inc. is urged to contact the Commission's Securities Division at 602-542-4242 or toll free, 1-866-VERIFY-9 and to ask for an investigator assigned to the case. To access the full text of the Commission order, please click on <http://www.ccsd.cc.state.az.us/enforcement/enforce-actions.asp>.

Caution for Investors

Before investing, people should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free outside the Phoenix metropolitan area and Arizona at 1-866-VERIFY-9. The Division's investor education web site also has helpful information at www.azinvestor.gov.

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